

VZCZCXYZ0445
RR RUEHWEB

DE RUEHQT #0294 0871235
ZNR UUUUU ZZH
R 271235Z MAR 08
FM AMEMBASSY QUITO
TO RUEHC/SECSTATE WASHDC 8681
INFO RUEHBO/AMEMBASSY BOGOTA 7457
RUEHRL/AMEMBASSY BERLIN 0125
RUEHCV/AMEMBASSY CARACAS 2961
RUEHLP/AMEMBASSY LA PAZ MAR LIMA 2500
RUEHMO/AMEMBASSY MOSCOW 0143
RUEHOT/AMEMBASSY OTTAWA 0617
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RUEHRO/AMEMBASSY ROME 0387
RUEHKO/AMEMBASSY TOKYO 0010
RUEHGL/AMCONSUL GUAYAQUIL 3434

UNCLAS QUITO 000294

SIPDIS

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [ECON](#) [TRGY](#) [SENV](#) [UNDP](#) [UNEP](#) [EINV](#) [PGOV](#) [TINT](#) [EC](#)

SUBJECT: U.S. COMPANY LEADS SUCCESSFUL WIND ENERGY PROJECT IN
GALAPAGOS

¶1. (U) Summary: The multilateral Galapagos Wind Energy Project dedicated its wind-turbine project, largely funded by private sector companies, on the Galapagos's San Cristobal island on March 18. Project leader American Electric Power (AEP) says that on windy days, the project provides 80% of San Cristobal's electricity at a price comparable to diesel generation, but without diesel's polluting impact. It is a laudable demonstration model ripe for duplication, and especially valuable in one of the world's most sensitive marine habitats. End summary.

¶2. (U) DCM Jefferson Brown spoke at the e8-sponsored dedication ceremony on San Cristobal at the invitation of e8 member American Electric Power (AEP) of Ohio. The e8 is a charitable trust composed of nine of the world's leading power companies from G8 countries that was formed in 1992. Its mission is to promote corporate responsibility in the energy sector. Since 2001, AEP has provided \$6 million of the \$10.5 million necessary for the Galapagos Wind project (the UN Foundation contributed \$1 million, and the Ecuadorian government made up the balance). AEP has also provided project management, with technical assistance primarily from the German state power company RWE. Other e8 members include EDF (France), Enel (Italy), Hydro-Quebec (Canada), Kansai Electric Power Company (Japan), Ontario Power Generation (Canada), RAO UESR (Russian Federation), RWE (Germany) and Tokyo Electric Power Company (Japan). Representatives from RWE, EDF, and the Russian Embassy all attended the dedication ceremony.

ECUADORIAN COMMITMENT

¶3. (U) Electricity Minister Alecksey Mosquera and Environment Minister Marcela Aguinaga attended and spoke, echoing the commitment to the project expressed by President Correa when he visited the site in February. The Galapagos provincial electricity authority, Elecgalapagos, recently-appointed interim Galapagos National Park Director Sixto Naranjo (see Guayaquil septel), and local and provincial government officials also attended.

¶4. (U) With the support of UNDP and the Ecuadorian Government, Elecgalapagos is implementing a re-electrification program throughout the Galapagos Islands with renewable sources, to partially replace the Galapagos' existing diesel power plants. The wind power generated by three windmills on San Cristobal costs approximately 20% more than that produced by traditional diesel generators, but so far the price to consumers has remained constant, due to government subsidies. Given these results, and the oil spill caused by the sinking of the tanker Jessica in 2001 in San Cristobal

harbor, local support for the project is strong. Elecgalapagos has already advertised tenders for similar wind projects on Baltra and Santa Cruz islands that emulate the San Cristobal project.

U.S. LEADERSHIP

¶5. (U) Representatives from RWE and EDF, along with local officials praised AEP at the dedication ceremony for their commitment to the project and the people of San Cristobal (and in turn, AEP presented awards to their e8 partners and local officials). In addition to AEP, at least three other U.S. companies were also involved in the project as low-cost or pro-bono contractors. Walsh Environmental, based in Boulder, Colorado, completed a two-year environmental impact study to protect the endangered Galapagos petrel from the windmills, which is native to the island, in cooperation with the Charles Darwin Foundation. AEP also contracted with Industry and Energy Associates of Portland, Maine, to provide engineering project management to the diesel-wind hybrid plant that controls the windmills. Finally, SolarQuest, a non-profit organization based in Burlington, Vermont, provided internet connectivity and solar panels to the wind power plant and local schools through grants from AEP.

¶6. (SBU) Comment: The Galapagos Wind Project is an inspiring example of successful multilateral cooperation and corporate social responsibility. Through careful diplomacy on behalf of the e8, and in particular, on behalf of AEP, the Ecuadorian government and the population of San Cristobal appear to be wholeheartedly tied to the project and claim it as their own. As Ecuador moves forward with similar wind and hydroelectric power projects, post hopes this positive multilateral and contractual relationship can be replicated. End summary.

GRIFFITHS